

PUBLIC DISCLOSURE

MARCH 11, 2005

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

FIDELITY CO-OPERATIVE BANK

26451

675 MAIN STREET
FITCHBURG, MA 01420

DIVISION OF BANKS
ONE SOUTH STATION
BOSTON, MA 02110

NOTE:	This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the Division of Banks concerning the safety and soundness of this financial institution.
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GENERAL INFORMATION

The Community Reinvestment Act ("CRA") requires the Massachusetts Division of Banks ("Division") to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting its needs of its entire assessment area, including low and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the Division must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

This document is an evaluation of the CRA performance of **FIDELITY CO-OPERATIVE BANK (or the "Bank")** prepared by the Division, the institution's supervisory agency.

INSTITUTION'S CRA RATING: Fidelity Co-operative Bank is rated "Satisfactory".

LENDING AND SERVICE TEST TABLE

The following table indicates the performance rating of **FIDELITY CO-OPERATIVE BANK, FITCHBURG, MASSACHUSETTS**, with respect to the lending, investment, and service tests.

PERFORMANCE TESTS Fidelity Co-operative Bank			
Performance Levels	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory			X
Satisfactory	X	X	
Needs to Improve			
Substantial Non-Compliance			

*Note: The Lending Test is weighed more heavily than the Service and Investment Tests when arriving at an overall rating.

PERFORMANCE CONTEXT

Description of Institution

Fidelity Co-operative Bank is a community institution, incorporated under the laws of the Commonwealth of Massachusetts in 1888. As of its March 31, 2005, Federal Deposit Insurance Corporation's ("FDIC") Quarterly Call Report, Fidelity Co-operative Bank had approximately \$313 million in assets. Of these total assets, approximately \$188 million or 60.1 percent were in the form of loans.

Given that the Bank's total assets exceeded \$250 million for the last two consecutive calendar years, Fidelity Co-operative Bank is now considered to be a large institution under the CRA regulation. Consequently, this Public Evaluation reflects Fidelity Co-operative Bank's performance as a large institution.

Refer to the following.

Fidelity Co-operative Bank's Loan Portfolio as of March 31, 2005	
Type of Loans	% of Total Loans
Construction & Land Development	4.4
Residential Real Estate	
a. 1-4 Family Mortgages	57.3
b. Home Equity Lines (includes second mortgages)	17.2
....c. Secured by Farmland	0.1
Multifamily	
Commercial Loans	
a. Commercial Real Estate	14.5
b. Commercial & Industrial Loans	5.6
Consumer Loans	
a. Credit Cards & Related Plans	
b. Loans to Individuals/Other Loans	0.9
Total Loans	100.0

Source: FDIC Call Report, 03/31/05

As indicated, overall residential real estate lending represents the majority of the Bank's portfolio at 79.0 percent. The second largest segment of the loan portfolio is overall commercial lending at 20.1 percent.

Fidelity Co-operative Bank is headquartered in Fitchburg, Massachusetts, and operates five other full service offices located in the communities of Leominster, Worcester, Millbury, Gardner, and Shirley. In addition, the Bank maintains two Automated Teller Machines ("ATM"), one at the Johnny Appleseed Visitor's Center in Lancaster, and one located at Nashoba Valley Medical Center in Groton, Massachusetts.

PERFORMANCE CONTEXT (CONTINUED)

There appears to be no legal or regulatory impediments that would affect the Bank in meeting the needs of its community. The FDIC last conducted a CRA performance evaluation on September 8, 2003. That evaluation resulted in a "Satisfactory" rating. The Division conducted the previous CRA evaluation as of December 20, 1999. That examination resulted in a "High Satisfactory" rating.

Description of Assessment Area

In 2003, Fidelity Co-operative Bank's assessment area was as follows: Ashburnham, Ashby, Auburn, Ayer, Fitchburg, Gardner, Grafton, Groton, Harvard, Hubbardston, Lancaster, Leominster, Littleton, Lunenburg, Millbury, Oxford, Pepperell, Shirley, Sutton, Templeton, Townsend, Westminster, and Winchendon. These communities are within the Fitchburg/Leominster, Lowell, Worcester, and non-Metropolitan Statistical Areas ("MSA"). The Department of Housing and Urban Development ("HUD") estimated Median Family Income for the Fitchburg/Leominster MSA was \$62,100, the Lowell MSA was \$79,700, the Worcester MSA was \$68,000, and the non-MSA was \$60,300 in 2003.

In 2004, the Bank's assessment area was expanded to accommodate the opening of its Worcester branch office. As of calendar year 2004, Fidelity Co-operative Bank's assessment area was as follows: Ashburnham, Ashby, Auburn, Ayer, Boylston, Clinton, Fitchburg, Gardner, Grafton, Groton, Harvard, Holden, Hubbardston, Lancaster, Leominster, Littleton, Lunenburg, Millbury, Oxford, Pepperell, Princeton, Shirley, Shrewsbury, Sterling, Sutton, Templeton, Townsend, West Boylston, Westminster, Winchendon, and fourteen census tracts contiguous to the newly opened Worcester branch office location.

In 2004, the Office of Management and Budget redefined the MSAs statewide. Currently, the MSAs are comprised of whole counties. Fidelity Co-operative Bank assessment area now falls with the Cambridge/Newton/Framingham MSA (Middlesex County), and the Worcester MSA (Worcester County). The 2004 HUD estimated Median Family Income for the Cambridge/Newton/Framingham MSA was \$88,600, and the Worcester MSA was \$69,900.

Demographic and Economic Data

Change in Demographics

In 2003, the US Census Bureau released its revised demographics based upon 2000 census data. Because the MSAs were redefined in 2004, this may have affected some of the census tract income groupings in 2004. The following table reflects both the 2000 census data and the 2004 redefined MSA data of Fidelity Co-operative Bank's assessment area by census tract income groupings, inclusive of the 2004 assessment area expansion. In addition, the percentage change in the number of census tracts by income grouping is also reflected.

Change in Assessment Area Demographics					
Census Tracts	2000 Census Data		2004 Redefined Census Data		% Change in Number of Census Tracts
	#	%	#	%	
Low	2	3.4	6	6.7	200.0
Moderate	8	13.6	16	17.8	100.0
Middle	37	62.7	50	55.6	35.1
Upper	10	17.0	16	17.8	60.0
NA	2	3.3	2	2.1	0.0
Total	59	100.0	90	100.0	52.5

Source: PCI Services, Inc., CRA Wiz Software.

PERFORMANCE CONTEXT (CONTINUED)

The following table reflects selected housing characteristics, based upon 2000 census data, for each of the census tract income groupings in Fidelity Co-operative Bank's assessment area.

Selected Housing Characteristics by Income Category of the Geography Based on 2000 Census Data							
Geographic Income Category	Percentage						Median Home Value (\$)
	Census Tracts	Households	Housing Units	Owner-Occupied	Rental Units	Vacant Units	
Low	3.4	0.9	1.0	0.1	2.8	2.7	93,409
Moderate	13.6	12.6	12.9	6.8	26.0	19.8	101,915
Middle	62.7	66.6	66.3	68.9	61.6	57.8	135,741
Upper	17.0	19.9	19.5	24.2	9.6	13.3	224,610
NA	3.3	0.0	0.3	0.0	0.0	6.4	0
Total or Median	100.0	100.0	100.0	100.0	100.0	100.0	147,814

Source: U.S. Census

In addition, the following table reflects selected housing characteristics, based upon the 2004 redefined census data, for each of the census tract income groupings in Fidelity Co-operative Bank's expanded assessment area.

Selected Housing Characteristics by Income Category of the Geography Based on the Redefined 2004 Census Data							
Geographic Income Category	Percentage						Median Home Value (\$)
	Census Tracts	Households	Housing Units	Owner-Occupied	Rental Units	Vacant Units	
Low	6.7	4.5	4.7	1.4	10.7	7.6	92,518
Moderate	17.8	16.4	16.8	9.9	29.3	24.7	106,500
Middle	55.6	58.1	57.8	62.1	50.1	50.6	141,505
Upper	17.8	21.0	20.7	26.6	9.9	12.6	210,018
NA	2.1	0.0	0.0	0.0	0.0	4.5	0
Total or Median	100.0	100.0	100.0	100.0	100.0	100.0	147,204

Source: U.S. Census

Description of Aggregate Data Utilized/Lending Activity

Aggregate data, for Home Mortgage Disclosure Act ("HMDA") reportable lending performance purposes consists of both large and small mortgage companies, savings banks, commercial banks, cooperative banks, and credit unions, which have originated and/or purchased residential mortgage and/or home improvement loans within the Bank's assessment area. The top five lenders (in descending order) within Fidelity Co-operative Bank's assessment area in 2003 were: Countrywide Home Loans (7 percent share); GMAC Mortgage Corporation (5 percent share); Washington Mutual Bank FA (5 percent share); Wells Fargo Home Mortgage (3 percent share); and GMAC Bank (3 percent share). Fidelity Co-operative Bank was thirteenth with 654 HMDA reportable loans and a 1.7 percent share.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

The institution's Lending Test performance was rated an overall "Satisfactory." The institution's lending efforts are rated under the seven performance criteria: Lending Activity, Geographic Distribution, Borrower Characteristics, Community Development Lending, Innovative or Flexible Lending Practices, Loss of Affordable Housing, and Fair Lending Policies and Practices. In addition, utilizing the same criteria, the Bank's performance regarding small business, home equity, and consumer lending were also evaluated. The following information details the data compiled and reviewed, as well as conclusions on the Bank's overall lending performance.

Scope of Evaluation

This criterion evaluates the number and dollar volume of loans originated or purchased within the assessment area. The Bank's credit products evaluated for this criterion and the two subsequent lending test criteria are: (1) residential loans that are considered to be HMDA reportable loans and (2) CRA reportable loans (small business, home equity, and consumer loans). A HMDA reportable loan is defined as home purchase loans (including originations, purchases, and refinances) as well as home improvement loans. The CRA regulation defines a small business loan as "a loan with an original amount of \$1 million or less that are secured by non-farm nonresidential properties or; commercial and industrial loans to U.S. addressees." This definition is consistent with those found in the FDIC Call Report instructions. In addition, a small business is further defined as having gross annual revenues of \$1 million or less.

For the purposes herein, the period under review for HMDA and CRA reportable lending (collectively) consists of calendar years 2003, and 2004.

I. Lending Activity

An analysis of Fidelity Co-operative Bank's loan to total assets ratios was performed. The calculation comparatively incorporated quarterly loan portfolio results of March 2004, versus March 2005, as reflected in the Bank's quarterly FDIC Call Reports.

The following illustrates Fidelity Co-operative Bank's net loan to total asset trends.

Fidelity Co-operative Bank's Loan Portfolio			
Loan Types	March 31, 2004	March 31, 2005	% Growth
Construction & Land Development	8,703	8,270	-5.0
Residential Real Estate			
a. 1-4 Family Mortgages	121,347	108,335	-10.7
b. Home Equity Lines (includes second mortgages)	27,842	32,533	16.9
...c. Secured By Farmland	182	173	-5.0
Multifamily	165	0	-100.0
Commercial Loans			
a. Commercial Real Estate	13,580	27,425	102.0
b. Commercial & Industrial Loans	3,301	10,648	222.6
Consumer Loans			
a. Credit Cards & Related Plans	20	22	10.0
b. Loans to Individuals/Other Loans	1,992	1,637	-17.8
Total	177,132	189,043	6.7

*In Thousands.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS (CONTINUED)

LENDING TEST (CONTINUED)

Over the period reflected in the table, Fidelity Co-operative Bank's loan portfolio increased by 6.7 percent.

It should be noted that the Bank both purchases and sells loans in the secondary market. In 2003, the Bank purchased 1 United States Department of Agriculture ("USDA") loan for \$237,885. In 2004, the Bank purchased 11 USDA loans totaling \$3,041,935.

Fidelity Co-operative Bank continues to maintain an active relationship with FHLMC. In 2003, the Bank sold 410 loans totaling \$60,988,000 to FHLMC. In 2004, the Bank sold 150 of its loans totaling \$23,992,000 to FHLMC.

In addition, the Bank has developed correspondent/brokered relationships with other financial institutions, including, but not limited to, First Horizon, Option One Mortgage Corporation, Massachusetts Housing Finance, Washington Mutual Bank, NA, and Aurora Loan Services, Inc. In 2003, Fidelity Co-operative Bank sold and/or brokered 14 loans totaling \$2,889,000. In 2004, the Bank sold and/or brokered 7 loans totaling \$1,289,000.

Comparisons of Fidelity Co-operative Bank's loan to total assets ratio to that of area financial institutions was also performed. As of December 31, 2004, (latest comparative data available) Fidelity Co-operative Bank had total assets of \$305,591,000 and a loan to total assets ratio of 60.5 percent. The loan to total assets ratios of area institutions is reflected in the following table. Those institutions chosen for this analysis were considered to be among the top competitors within Fidelity Co-operative Bank's assessment area. The data presented is as of December 31, 2004.

Comparative Loan-To-Assets Ratios		
Financial Institution	Total Assets (000)	Net Loan to Total Asset Ratio (%)
Fidelity Co-operative Bank	305,591	60.5
Fitchburg Savings Bank NA	285,082	68.7
GFA Federal Credit Union	209,366	44.9
IC Credit Union	298,976	87.8
Leominster Credit Union	303,181	79.1
Workers' Credit Union	485,848	87.9

Source: NCUA 5300, OTS Thrift Financial, or FDIC Quarterly Call Reports as of December 31, 2004

Given Fidelity Co-operative Bank's asset size, and its ability to lend, its loan to asset ratio is considered to be reasonable.

HMDA Reportable Lending

Fidelity Co-operative Bank's HMDA reportable lending was reviewed to determine the amount of credit extended within the Bank's assessment area. During the period reviewed, the Bank originated and/or purchased 1,180 HMDA-reportable loans totaling \$170 million. Of this amount, 919 loans, or 77.9 percent of the number and \$124.9 million or 73.4 percent of the dollar volume was originated and/or purchased in the Bank's assessment area.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS (CONTINUED)

LENDING TEST (CONTINUED)

Refer to the following table for information regarding the Banks HMDA reportable lending, by both number and dollar volume.

Distribution of Home Mortgage Loans Inside and Outside of the Assessment Area												
Year	Inside				Outside				Total			
	Number of Loans		Dollar Volume (000)		Number of Loans		Dollar Volume (000)		Number of Loans		Dollar Volume (000)	
	#	%	\$	%	#	%	\$	%	#	%	\$	%
2003	653	75.2	84,949	70.4	215	24.8	35,688	29.6	868	100	120,637	100
2004	266	85.3	39,911	80.8	46	14.7	9,477	19.2	312	100	49,388	100
Total	919	77.9	124,860	73.4	261	22.1	45,165	26.6	1,180	100	170,025	100

Source: HMDA LAR, CRA Wiz

As reflected in the table, the Bank experienced a decline in lending both by number and by dollar volume in 2004, due to a decrease in the refinance market. The Bank's level of lending, however, within its assessment area is considered to be reasonable.

Small Business Lending

Fidelity Co-operative Bank's small business lending was also reviewed to determine the amount of credit extended within its assessment area.

The Bank originated 62 small business loans totaling \$9 million during the period reviewed. A total of 52 loans totaling \$8.5 million were originated to businesses within the Bank's assessment area, representing 83.9 percent by number and 91.4 percent by dollar volume.

Refer to the following table for additional information regarding the Bank's small business lending, by both number and dollar volume.

Distribution of Small Business Loans Inside and Outside of the Assessment Area												
Year	Inside				Outside				Total			
	Number of Loans		Dollar Volume (000)		Number of Loans		Dollar Volume (000)		Number of Loans		Dollar Volume (000)	
	#	%	\$	%	#	%	\$	%	#	%	\$	%
2004	52	83.9	8,523	91.4	10	16.1	803	8.6	62	100.0	9,326	100.0

Source: CRA LAR, CRA Wiz

Home Equity Line of Credit Lending

Fidelity Co-operative Bank's Home Equity Lines of Credit (HELOC) lending was also reviewed to determine the amount of credit extended within its assessment area.

The Bank originated 366 HELOCs totaling \$22.7 million during the period reviewed. A total of 327 loans totaling \$20 million were originated within the Bank's assessment area, representing 89.3 percent by number and 88.5 percent by dollar volume.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS (CONTINUED)

LENDING TEST (CONTINUED)

Refer to the following table for additional information regarding the Bank's HELOC lending, by both number and dollar volume.

Distribution of Home Equity Loans Inside and Outside of the Assessment Area												
Year	Inside				Outside				Total			
	Number of Loans		Dollar Volume (000)		Number of Loans		Dollar Volume (000)		Number of Loans		Dollar Volume (000)	
	#	%	\$	%	#	%	\$	%	#	%	\$	%
2004	327	89.3	20,073	88.5	39	10.7	2,610	11.5	366	100.0	22,683	100.0

Source: CRA LAR, CRA Wiz

Consumer Lending

Fidelity Co-operative Bank's Consumer lending was also reviewed to determine the amount of credit extended within its assessment area.

In total, the Bank originated 49 consumer loans totaling \$17.5 million during the period reviewed. A total of 37 loans totaling \$12 million were originated to businesses within the Bank's assessment area, representing 75.5 percent by number and 71.2 percent by dollar volume.

Refer to the following table for additional information regarding the Bank's consumer lending, by both number and dollar volume.

Distribution of Consumer Loans Inside and Outside of the Assessment Area												
Year	Inside				Outside				Total			
	Number of Loans		Dollar Volume (000)		Number of Loans		Dollar Volume (000)		Number of Loans		Dollar Volume (000)	
	#	%	\$	%	#	%	\$	%	#	%	\$	%
2004	37	75.5	12,459	71.2	12	24.5	5,049	28.8	49	100.0	17,508	100.0

Source: CRA LAR, CRA Wiz

In conclusion, overall Fidelity Co-operative Bank's level of its HMDA reportable, small business, HELOCs, and consumer lending within its assessment area is considered to be reasonable.

II. Geographic Distribution

Residential Mortgage Lending

Fidelity Co-operative Bank's HMDA reportable lending within its assessment area was further analyzed to determine location by census tract income level.

In 2003, Fidelity Co-operative Bank's assessment area contained fifty-nine census tracts. Of those tracts, 3.4 percent were low-income, 13.6 percent were moderate-income, 62.7 percent were middle-income, 17.0 percent were upper-income, and 3.3 percent had no income designation.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS (CONTINUED)

LENDING TEST (CONTINUED)

In 2004, Fidelity Co-operative Bank's expanded assessment area contained ninety census tracts. Of those tracts, 6.7 percent were low-income, 17.8 percent were moderate-income, 55.6 percent were middle-income, 17.8 percent were upper-income, and 2.1 percent had no income designation.

The following tables present the Bank's performance both by number and by dollar volume as well as the 2003 aggregate data of HMDA reportable lending by percentage (exclusive of Fidelity Co-operative Bank). In addition, the tables also reflect the percentage of owner-occupied housing units in each of the census tract income categories (per 2000 and 2004 census data).

Distribution of Home Mortgage Loans by Income Category of the Census Tract									
Census Tracts	% Total Owner-Occupied Housing Units Per 2000 Census Data	2003 Aggregate Lending Data (% of #)	2003 Bank Data		% Total Owner-Occupied Housing Units Per Redefined 2004 Census Data	2004 Bank Data		Total	
			#	%		#	%	#	%
Low	0.1	0.2	1	0.1	1.4	7	2.6	8	0.9
Moderate	6.8	6.7	48	7.4	9.9	31	11.6	79	8.6
Middle	68.9	64.1	521	79.8	62.1	210	79.0	731	79.5
Upper	24.2	28.9	83	12.7	26.6	18	6.8	101	11.0
NA	0.0	0.1	0	0.0	0.0	0	0.0	0	0.0
Total	100.0	100.0	653	100.0	100.0	266	100.0	919	100.0

Source: U.S. Census, HMDA LAR, HMDA Aggregate Data

Distribution of Home Mortgage Loans by Income Category of the Census Tract									
Census Tracts	% Total Owner-Occupied Housing Units Per 2000 Census Data	2003 Aggregate Lending Data (% of \$)	2003 Bank Data		% Total Owner-Occupied Housing Units Per Redefined 2004 Census Data	2004 Bank Data		Total	
			\$	%		\$	%	\$	%
Low	0.1	0.2	126	0.2	1.4	958	2.4	1,084	0.9
Moderate	6.8	5.1	5,848	6.9	9.9	3,359	8.4	9,207	7.4
Middle	68.9	58.0	66,190	77.9	62.1	32,031	80.3	98,221	78.7
Upper	24.2	36.6	12,785	15.0	26.6	3,563	8.9	16,348	13.0
NA	0.0	0.1	0	0.0	0.0	0	0.0	0	0.0
Total	100.0	100.0	84,949	100.0	100.0	39,911	100.0	124,860	100.0

Source: U.S. Census, HMDA LAR, HMDA Aggregate Data

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS (CONTINUED)

LENDING TEST (CONTINUED)

As indicated in the tables, Fidelity Co-operative Bank's percentage of lending by number to the low-income census tracts is below that of the aggregate; however, its performance reflects an improving trend in 2004. This is also true for the Bank's percentage of lending by dollar volume to the low-income tracts which, although equal to the aggregate in 2003, grew beyond the demographic percentages in 2004.

The Bank's lending to the moderate-income census tracts exceeded the aggregate, both by number and by dollar volume, and also reflects an improving trend in 2004.

Small Business Lending

Fidelity Co-operative Bank's small business lending was analyzed to determine the distribution by census tract income level within its assessment area. The following table reflects the Bank's small business lending both by number and by dollar volume in 2004.

Distribution of Small Business Loans by Income Category of the Census Tract				
Census Tracts	2004 By Number		2004 By Dollar Volume	
	#	%	\$	%
Low	0	0.0	0	0.0
Moderate	11	21.2	1,014	11.9
Middle	34	65.4	6,426	75.4
Upper	7	13.4	1,083	12.7
Total	52	100.0	8,523	100.0

Source: CRA/LAR, CRA Wiz.

As indicated, the Bank granted no small business loans to the low-income census tracts, however, granted a strong percentage of its small business lending to the moderate-income tracts.

HELOCs

Fidelity Co-operative Bank's HELOCs were also analyzed to determine the distribution by census tract income level within its assessment area. The following table reflects the Bank's Home Equity lending both by number and by dollar volume in 2004.

Distribution of Home Equity Loans by Income Category of the Census Tract				
Census Tracts	2004 By Number		2004 By Dollar Volume	
	#	%	\$	%
Low	0	0.0	0	0.0
Moderate	40	12.2	2,291	11.4
Middle	245	74.9	14,519	72.3
Upper	42	12.9	3,263	16.3
Total	327	100.0	20,073	100.0

Source: CRA/LAR, CRA Wiz.

As reflected, the Bank granted no HELOC to the low-income census tracts. The Bank, however, granted a reasonable percentage of lending to the moderate-income tracts.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS (CONTINUED)

LENDING TEST (CONTINUED)

Consumer Loans

Fidelity Co-operative Bank's consumer lending was also analyzed to determine the distribution by census tract income level within its assessment area. The following table reflects the Bank's consumer lending both by number and by dollar volume in 2004.

Distribution of Consumer Loans by Income Category of the Census Tract				
Census Tracts	2004 By Number		2004 By Dollar Volume	
	#	%	\$	%
Low	1	2.7	93	0.8
Moderate	1	2.7	1,000	8.0
Middle	32	86.5	10,031	80.5
Upper	3	8.1	1,335	10.7
Total	37	100.0	12,459	100.0

Source: CRA/LAR, CRA Wiz.

As indicated, the Bank granted one consumer loan to the low-income census tracts and one consumer loan to the moderate-income tracts.

In conclusion, Fidelity Co-operative Bank's overall level of lending to the low-income census tracts within its assessment area is considered reasonable. The Bank's level of HMDA reportable, and small business lending within the moderate-income census tracts within its assessment area however, is considered strong.

III. Borrower Characteristics

HMDA Reportable Lending

An analysis of HMDA reportable lending extended within Fidelity Co-operative Bank's assessment area among various income levels for the period under review was performed. Originations were categorized by the ratio of the applicant's reported income to the 2003 and 2004 estimated median family incomes of the appropriate MSA (refer to the Performance Context Section).

Low income is defined by the US Census Bureau as income below 50 percent of the median family income level for the MSA; moderate income is defined as 50 to 79 percent of the median family income; middle income is defined as income between 80 and 119 percent of the median family income; and upper income is defined as income greater than 120 percent of the median family income.

The following analyses also includes 2003 aggregate data (exclusive of Fidelity Co-operative Bank) of HMDA reportable lending by percentage as well as demographic data on the percentage of total households (per 2000 and 2004 census data) in the assessment area in each respective income group.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS (CONTINUED)

LENDING TEST (CONTINUED)

Refer to the following.

Distribution of Home Mortgage Loans by Borrower Income									
Median Family Income Level	% Total Family Households Per 2000 Census Data	2003 Aggregate Lending Data (% of #)	2003 Bank Data		% Total Family Households Per Redefined 2004 Census Data	2004 Bank Data		Total	
			#	%		#	%	#	%
Low	17.2	5.1	69	10.6	19.8	29	10.9	98	10.7
Moderate	16.7	19.0	159	24.3	18.1	76	28.6	235	25.6
Middle	23.9	29.1	207	31.7	23.4	64	24.1	271	29.5
Upper	42.2	34.7	210	32.2	38.7	79	29.7	289	31.4
NA	0.0	12.1	8	1.2	0.0	18	6.7	26	2.8
Total	100.0	100.0	653	100.0	100.0	266	100.0	919	100.0

Source: U.S. Census, HMDA LAR, HMDA Aggregate Data

Distribution of Home Mortgage Loans by Borrower Income									
Median Family Income Level	% Total Family Households Per 2000 Census Data	2003 Aggregate Lending Data (% of \$)	2003 Bank Data		% Total Family Households Per Redefined 2004 Census Data	2004 Bank Data		Total	
			\$	%		\$	%	\$	%
Low	17.2	3.2	5,929	7.0	19.8	2,645	6.7	8,574	6.9
Moderate	16.7	15.0	17,114	20.1	18.1	9,220	23.1	26,334	21.1
Middle	23.9	27.0	27,972	33.0	23.4	9,230	23.1	37,202	29.8
Upper	42.2	41.2	32,570	38.3	38.7	15,420	38.6	47,990	38.4
NA	0.0	13.6	1,364	1.6	0.0	3,396	8.5	4,760	3.8
Total	100.0	100.0	84,949	100.0	100.0	39,911	100.0	124,860	100.0

Source: U.S. Census, HMDA LAR, HMDA Aggregate Data

It should be noted that those originations designated as not applicable loans are either:

- The borrowers' income was not taken into account when granting the loan;
- The borrower is an employee; or
- The loan was purchased.

As indicated, the Bank's level of HMDA reportable lending, both by number and by dollar volume, exceeded the aggregate percentages to borrowers of low and moderate-income. The percentages in 2004 reflect a consistent or slightly improving trend.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS (CONTINUED)

LENDING TEST (CONTINUED)

Small Business Lending

An analysis of Fidelity Co-operative Bank's small business lending extended within the Bank's assessment area by loan amount was also performed.

Refer to the following.

Distribution of Small Business Loans by Loan Size				
Loan Size (000s)	2004 By Number		2004 By Dollar Volume	
	#	%	\$	%
< \$100	33	63.5	1,525	17.9
\$100 - \$250	7	13.5	1,293	15.2
> \$250 - \$1,000	12	23.0	5,705	66.9
Total	52	100.0	8,523	100.0

Source: CRA/LAR, CRA Wiz.

As indicated, the majority of the Bank's small business lending was in the form of smaller loans. Analysis of small business lending by loan size can be used as a proxy for the size of the business. Clearly, the results presented reflect positive results in terms of small loans, where 77.0 percent of all loans (overall) were under \$250,000.

Further, Fidelity Co-operative Bank's small business lending by revenue of the business within its assessment area was also analyzed.

Refer to the following.

Distribution of Small Business Loans by Gross Annual Revenues of Business				
Annual Revenues (000s)	2004 By Number		2004 By Dollar Volume	
	#	%	\$	%
≤ \$1,000	37	71.2	5,163	60.6
> \$1,000 or NA	15	28.8	3,360	39.4
Total	52	100.0	8,523	100.0

Source: CRA/LAR, CRA Wiz.

As reflected, the majority of the Bank's small business lending both by number and by dollar volume went to businesses with revenues less than \$1million.

HELOCs

An analysis of Fidelity Co-operative Bank's HELOCs extended within the Bank's assessment area by borrower income was also performed.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS (CONTINUED)

LENDING TEST (CONTINUED)

Refer to the following.

Distribution of Home Equity Loans by Borrower Income				
Median Family Income Level	2004 By Number		2004 By Dollar Volume	
	#	%	\$	%
Low	40	12.2	1,555	7.8
Moderate	68	20.8	3,129	15.6
Middle	108	33.0	6,336	31.6
Upper	109	33.3	8,892	44.3
NA	2	0.7	161	0.7
Total	327	100.0	20,073	100.0

Source: CRA/LAR, CRA Wiz.

As indicated, 33.0 percent of the number and 23.4 percent of the dollar volume of the Bank's home equity lending went to borrowers of low and moderate-incomes indicating a reasonable penetration to those borrowers.

Consumer Lending

Lastly, although Fidelity Co-operative Bank collected data on its consumer lending extended within the Bank's assessment area by loan amount and by income, an analysis of such data was not considered to be meaningful and therefore was not included in this Public Evaluation.

In conclusion, as a result of the previous analyses, Fidelity Co-operative Bank's level of HMDA reportable lending to borrowers of low and moderate-income is considered to be very strong. In addition, the Bank's level of HELOC lending to borrowers of low and moderate-income as well as its small business lending in smaller dollar amounts within its assessment area is considered above average. The Bank's lending to small businesses with revenues less than \$1 million is also considered to be reasonable.

IV. Community Development Lending

Fidelity Co-operative Bank has provided loans to various organizations for community development purposes. As defined in the CRA regulation, a community development purpose is: affordable housing for low and moderate-income individuals; community services targeted to low and moderate-income individuals; activities that promote economic development by financing small businesses or small farms; or activities that revitalize or stabilize low and moderate-income geographies. However, in order to qualify as a community development loan, the loan must not be reportable as a home mortgage or small business loan, unless it is for a multi-family dwelling (five or more units).

Refer to the following.

Qualified Community Development Lending Activity		
Loan Description	Number Of Loans	Dollar Volume Of Loans (000s)
Multi-Family Affordable Housing Loans	2	1,620
Loans to Nonprofit Organizations		
All other Loans		
Grand Total	2	1,620

Source: CRA data collection and bank records

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS (CONTINUED)

LENDING TEST (CONTINUED)

- Fidelity Co-operative Bank provided a community development loan to rehabilitate an abandoned synagogue to be converted into 15 condominium units in a portion of the City of Worcester that falls within a moderate-income census tract in its assessment area. As part of an agreement with the city, four of these units must be sold under the City's HOME program to income eligible buyers.
- The Bank also provided a community development loan for the rehabilitation of a 6-unit apartment building located in a moderate-income census tract within the City of Fitchburg.

Lastly, although not included in the table above, Fidelity Co-operative Bank provided a loan for the purchase and rehabilitation of a 9-unit apartment building, offering below market rents, within a low-income census tract in the City of Worcester. However, this loan was not included in the above analysis because the property is located outside the Bank's assessment area.

V. Innovative or Flexible Lending Practices

As a portfolio mortgage lender, Fidelity Co-operative Bank offers a variety of fixed/adjustable rate mortgage products. These include; 10, 15, 20, and 30 year fixed rate mortgages. Some products offer no points and no closing costs. The Bank also offers 1-year, 3-year, and 5/1 adjustable rate mortgages (ARM's). Maximum term is 30 years and the maximum loan to value ("LTV") is 95 percent.

Fidelity Co-operative Bank offers its own first time home buyer mortgages. This fixed rate product has a maximum term of 30 years and the maximum LTV is 97 percent. It is also offered with 0, 1, or 2 points. In 2003, Fidelity Co-operative Bank granted, using its in-house first time home buyer products, 70 loans totaling \$13 million. In 2004, the Bank granted 34 loans totaling \$6.9 million under this in-house product.

As previously discussed, Fidelity Co-operative Bank continues to maintain an active relationship with FHLMC. Under FHLMC, the Bank offers Affordable Gold 5, Affordable Gold 97, and Affordable Gold 3/2 FHLMC targeted mortgage products. Additionally, the Bank has developed a relationship with Massachusetts Housing Finance Agency (MassHousing) and its Municipal Mortgage Program. In 2004, the Bank granted 2 mortgage loans totaling \$310,000 under MassHousing's Municipal Mortgage Program. This program offers lenders mortgage insurance coverage that allows for mortgages to be written for 100 percent of value on a single family home or condominium, or 97 percent of value on a two-four family property. These loans are offered to any full-time salaried employee of a city or town, buying a home in the city or town where they are employed. The combined household income of the employee cannot exceed 135 percent of the median income of the respective city or town. Eligible borrowers must show minimum cash savings of \$500 or 1 percent of sales price.

Also as previously discussed, Fidelity Co-operative Bank has developed correspondent/brokered relationships with other financial institutions. These relationships were formed in an effort to allow the Bank an alternative method for better pricing of its mortgage loans, greater variety of products to offer, and higher LTVs. Utilizing these relationships, Fidelity Co-operative Bank can now offer different mortgage loan products at highly competitive rates, terms, and conditions, up to and including 100 percent financing.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS (CONTINUED)

LENDING TEST (CONTINUED)

Fidelity Co-operative Bank continues to be a participant with the Massachusetts Business Development Corporation in its Small Business Capital Access Program ("CAP"). CAP assists small businesses in gaining access to financing that they might not otherwise qualify for conventionally. CAP makes available financing such as Lines of Credit, Letters of Credit, and loans that are too small for SBA financing. In 2004, the Bank originated 3 loans totaling \$370,000 under CAP.

Lastly, in 2004, Fidelity Co-operative Bank became an approved SBA and SBA Express lender.

VI. Fair Lending Policies and Practices

Fidelity Co-operative Bank has a satisfactory record of implementing fair lending policies and practices. The following discussion is based on the guidelines of the Division's Regulatory Bulletin 2.3-101.

Currently, Fidelity Co-operative Bank has 82 employees. There are two African Americans, three Hispanic, one Pacific Islander, and one Native American individuals. Languages spoken include French and Spanish.

Fidelity Co-operative Bank has a second loan review procedure. Upon the request that the loan be denied by the originating/underwriting officer, an additional lending officer reviews the file. In addition, the Bank's Security Committee reviews all denied loans.

At least annually the Bank performs Fair Lending Training at its main office and at all branches. Topics include Fair Credit Reporting Act, Equal Credit Opportunity Act (Regulation B), Fair Housing Act, and HMDA (Regulation C). In 2004, the training was expanded to include the Massachusetts Predatory Lending Law.

Fidelity Co-operative Bank employs commissioned originators and has implemented an incentive program of an additional 20 basis point commission paid for loans originated to low-income borrowers, and 10 basis points for loans originated to moderate-income borrowers.

A Fair Lending review was conducted at this examination. This review was conducted in accordance with the Federal Financial Institutions Examination Council ("FFIEC") Interagency Fair Lending Examination Procedures. Based on the sample reviewed, no evidence of disparate treatment of applicants was noted.

Minority Application Flow

As of the 2000 census, Fidelity Co-operative Bank's assessment area contained 274,630 individuals, 29,174 or 10.6 percent are minorities. As of the 2004 census, the Bank's assessment area contained 417,391 individuals, 53,425 or 12.8 percent are minorities.

For the period reviewed, the Bank received a total of 40 HMDA reportable applications from various minority groups, representing 4.0 percent of all applications received from within its assessment area. The 2003 HMDA aggregate data indicated 6.4 percent of all the residential applications from within the assessment area were to minority applicants. Overall, only one minority applicant was denied over the period reviewed.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS (CONTINUED)

LENDING TEST (CONTINUED)

Refer to the following.

Minority Application Flow									
Race	% Demographics Per 2000 Census Data	% 2003 Aggregate Data	Bank 2003		% Demographics Per 2004 Census Data	Bank 2004		Bank Total	
			#	%		#	%	#	%
Native American	0.2	0.3	1	0.1	0.2	2	0.7	3	0.3
Asian	1.8	1.4	4	0.6	2.5	5	1.7	9	0.9
Black	2.0	1.0	4	0.6	2.5	6	2.1	10	1.0
Hawaiian/ Pacific Islander	0.0	0.0	0	0.0	0.0	1	0.3	1	0.1
Hispanic	5.4	2.0	6	0.9	6.1	8	2.8	14	1.4
Joint Race	0.0	0.0	0	0.0	0.0	2	0.7	2	0.2
Other	1.2	1.7	1	0.1	1.5	0	0.0	1	0.1
Total Minority	10.6	6.4	16	2.3	12.8	24	8.3	40	4.0
White	89.4	69.7	680	96.8	87.2	253	87.2	933	94.1
NA	0.0	23.9	6	0.9	0.0	13	4.5	19	1.9
Total	100.0	100.0	702	100.0	100.0	290	100.0	992	100.0

Source: PCI Services, Inc., CRA Wiz Software.

Although somewhat below aggregate percentages in 2003, the Bank's level of attracting minority applicants is considered to be reasonable and reflects an improving trend in 2004.

In conclusion, Fidelity Co-operative Bank's record of implementing its fair lending policies and practices is considered reasonable.

VII. Loss of Affordable Housing

This criterion evaluates whether or not a financial institution has engaged in systematic lending patterns resulting in the loss of affordable housing.

Based upon the analysis of Fidelity Co-operative Bank's lending activity, products, and fair lending practices, there is no evidence that the institution's lending patterns show any undue concentration or systematic pattern of lending resulting in the loss of affordable housing units.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS (CONTINUED)

INVESTMENT TEST

Given its commitment to area organizations within the assessment area, Fidelity Co-operative Bank's performance under the Investment Test is considered to be "Satisfactory". Refer to the following.

As defined under the CRA regulation, a qualified investment is a lawful investment, deposit, membership share or grant that has community development as its primary purpose. Community development includes affordable housing for low and moderate-income individuals; community services targeted to low and moderate-income individuals; activities that promote economic development by financing small businesses or small farms; and activities that revitalize or stabilize low and moderate-income geographies. In recognition of the many legal limitations on bank investments, and the long-term nature and complexity of many community development investments, the CRA regulation allows some reasonable consideration for the entire bank portfolio of qualified investments; not just those made since the previous CRA examination. The following describes the institution's qualified investments.

In the fall of 2003, Fidelity Co-operative Bank applied for and received a \$10,000 grant from the Massachusetts Bankers Association's Charitable Trust. The beneficiary of those grant monies was the Twin Cities Community Development Corporation which used the funds for general operating expenses.

Charitable Contributions

Fidelity Co-operative Bank has provided contributions to organizations that provide education and training, neighborhood revitalization, youth programs, and health and human services for individuals in need, and support business growth and development.

In 2003, Fidelity Co-operative Bank granted \$51,903 in contributions, \$33,205 or 64.0 percent of which were considered qualified under the regulation. In 2004, the Bank granted \$51,342 in contributions, \$33,755 (65.7 percent) of which were considered qualified.

The following includes (but is not limited to) the organizations that received funds from Fidelity Co-operative Bank that were considered to be qualified investments.

Organizations that provide social services, aid in emergencies, and assist families in need such as: United Way of North Central Massachusetts; the Battered Women Resource; Our Father's House (Homeless Shelter); and HealthAlliance.

Organizations that provide school, youth, and educational programs such as: Multi-Service Center; Nashua Valley Council Boy Scouts; North Central Massachusetts Youth Alliance; and the area Boys and Girls Club.

Organizations that provide community/business development such as: the Twin Cities Community Development Corporation; area Chambers of Commerce; Leominster Downtown Association; the Greater Gardner Community Development Corporation; and the Northern Massachusetts CRA Coalition.

And organizations that provide for the elderly such as: Montachusett Home Care Corporation.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS (CONTINUED)

INVESTMENT TEST (CONTINUED)

Although not considered to be qualified under the CRA regulations, Fidelity Co-operative Bank continues to be a strong corporate contributor to numerous organizations that support area schools, the arts, as well as non-profit service organizations located within its assessment area.

SERVICE TEST

Fidelity Co-operative Bank's performance under the service test is considered to be better than average. Consequently, a rating of "High Satisfactory" is assigned.

The Service Test evaluates an institution's record of helping to meet the credit needs of its assessment area by analyzing both the availability and effectiveness of an institution's systems for delivering retail banking services and the extent and innovativeness of its community development services. The following describes Fidelity Co-operative Bank's services.

RETAIL BANKING SERVICES

Distribution of Branches

Fidelity Co-operative Bank currently maintains six full service offices. The Bank's main office is located at 675 Main Street in Fitchburg, Massachusetts in a low-income census tract. The branch offices are located in the communities of Leominster (moderate-income tract), Worcester (moderate-income tract), Millbury (middle-income tract), Gardner (moderate-income tract), and Shirley (middle-income tract). In addition, the Bank offers two ATM-only locations, one at the Johnny Appleseed Visitor's Center in Lancaster, and the other at Nashoba Valley Medical Center in Groton.

Branch hours are considered convenient and comparable to other local institutions with extended hours on Friday at the main office, the Leominster, and Millbury offices and on Thursday at the Leominster and Shirley offices. With the exception of the Worcester branch office, all offices are open on Saturday mornings. ATMs with network access are also available at all offices. Fidelity Co-operative Bank is a member of the SUM network of financial institutions, which does not levy surcharges to other member ATM customers.

Record of Opening and Closing Branches

Fidelity Co-operative Bank maintains a Branch Closing Policy. The policy meets regulatory requirements concerning branch closing notices and procedures.

In May 2004, the Bank opened a branch on Main Street in Shirley Massachusetts. The Bank has not closed any branches in the past two calendar years.

Alternative Retail Banking Services

The Bank offers 24 Hour Telephone Banking, a 24-hour program which allows customers to access the Bank's voice response system to make inquiries, transfer funds between accounts, check balances, etc. The phone number is toll free.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS (CONTINUED)

SERVICE TEST (CONTINUED)

The Bank also has a web site at www.fidelitybankonline.com. This site allows customers to check account balances, transfer between accounts, make loan payments, and view statements. This service is provided free for the first three months, with a \$2.50 per month charge thereafter. In addition, this service allows customers to automatically pay bills either by the single, variable payment option, or regularly scheduled monthly payments for a \$5 per month fee.

Recently, Fidelity Co-operative Bank began offering “LifeDesign Personal Banking”. The “LifeDesign” checking account requires a minimum of \$100 to open the account however, with Direct Deposit, the standard account fees are waived, Online Banking and BillPay are free, and unlimited check writing is free.

The “LifeDesign” Plus checking account requires a minimum average daily combined balance of \$5,000 in any Fidelity Co-operative Bank deposit or loan account to avoid fees. If the average daily balance is not maintained, a flat \$10 monthly fee is assessed. In addition to the free online and check writing features indicated above, the Plus checking offers discounted rates on most consumer and fixed rate equity loans, premium rates on CDs, and discounts on first mortgage closing costs.

Other Retail Services

Fidelity Co-operative Bank offers both a checking account and savings account which comply with MCBC Basic Banking for Massachusetts program guidelines by offering checking and savings accounts to the general public with no minimum balance requirements.

The Bank is a participant in the voluntary check-cashing program and in the public assistance check Direct Deposit program. The Direct Deposit program was developed to assist customers who are receiving Federal and/or State government recurring benefits, and are unable to maintain minimum balances.

COMMUNITY DEVELOPMENT SERVICES

Fidelity Co-operative Bank demonstrates a strong level of community development service with many of the Bank’s officers providing expertise to area organizations. Some of the organization include, but are not limited to, the following.

North Central Massachusetts Chamber of Commerce – Fidelity Co-operative Bank’s President and Chief Executive Officer serves on the Mayors Liaison Committee of this organization. The committee’s purpose is to identify local community problems and potential solutions. The Bank’s Assistant Vice President and Operations Officer serves as a member of the Executive Women’s Network of this organization. Lastly, Fidelity Co-operative Bank’s Vice President and Commercial Lending Officer is a board member of the chamber’s Business Development Corporation.

Leominster Fair Housing Committee – The mission of this organization is “to promote community awareness of fair housing in the City of Leominster by:

- Advising the Community Development Block Grant (CDBG) program on Fair Housing Planning activities;
- Complying with the requirements of Massachusetts Commission Against Discrimination;
- Distributing fair housing information to the community;

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS (CONTINUED)

SERVICE TEST (CONTINUED)

- Updating the Analysis of Impediments to Fair Housing every five years;
- Increasing community awareness of impediments to fair housing;
- Developing actions to overcome the effects of the identified impediments and;
- Maintaining records to support the Affirmatively Furthering Fair Housing certification by HUD.

Fidelity Co-operative Bank's Vice President and Business Banking Officer is a member of this committee.

Leominster Downtown Association (LDA) - This association is a partnership of local businesses supporting the downtown area, and youth and charitable organizations throughout the community and region. LDA serves as a liaison between local elected officials and the business sector. Fidelity Co-operative Bank's Vice President and Business Banking Officer is a member of this association.

North Worcester County Workforce Investment, Inc. – A public, non-profit organization created to promote workforce training, counseling, and assistance in Northern Worcester County. Fidelity Co-operative Bank's Vice President of Commercial Lending serves on the board of this organization.

ARC Community Services of Central Massachusetts (ARC) - Fidelity Co-operative Bank's Vice President of Commercial Lending is both a board member and Treasurer of ARC. This individual is also a member of ARC's Capital Campaign Committee.

Shirley Village Partnership – Created as an economic and physical redevelopment organization for the Town of Shirley, Fidelity Co-operative Bank's President and Chief Executive Officer serves as Chairman of the Board of this partnership as well as serving on various committees within the organization. In addition, the Bank's Senior Vice President /Senior Operations & Technology Officer serves as Treasurer of the partnership.

Leominster Multi-Service Center – Fidelity Co-operative Bank's Vice President of Business Banking is Treasurer and a member of the Board of Directors of this organization.

Greater Gardner Industrial Foundation – The Bank's Vice President of Commercial Lending is Treasurer of this foundation.

Gardner Business Development Corporation – This same individual is also Treasurer of this corporation.

Education Seminars and Services - Bank officers and employees have participated in seminars and events to inform participants of the Bank's products and services that help meet the credit needs of the community.

In conjunction with either the Twin Cities Community Development Corporation (CDC) or the Gardner CDC, Fidelity Co-operative Bank continues to sponsor and participate in first time homebuyer seminars, on at least a semi-annual basis.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS (CONTINUED)

SERVICE TEST (CONTINUED)

In conclusion, Fidelity Co-operative Bank provides a reasonable level of retail services and a strong level of community development services to its assessment area. Therefore a rating of "High Satisfactory" is ascribed.

APPENDIX A

SCOPE OF EXAMINATION

As of the close of business, February 28, 2005, a review of compliance with applicable consumer and fair lending rules and regulations and a CRA examination was conducted at Fidelity Co-operative Bank's main office in Fitchburg, Massachusetts. The bank's lending products reviewed at this examination include HMDA reportable loan originations/purchases, small business loan originations, Home Equity Lines of Credit, and consumer loan originations. These products were analyzed under the seven performance criteria: Lending Activity, Geographic Distribution, Borrower Characteristics, Community Development Lending, Innovative or Flexible Lending, Loss of Affordable Housing, and Fair Lending Practices.

In addition, Fidelity Co-operative Bank's performance under both the Investment and Service Tests were reviewed.

Fidelity Co-operative Bank's Performance within the Worcester and the Cambridge/Newton/Framingham-Metropolitan Statistical Area's (MSA).

Fidelity Co-operative Bank's assessment area in 2004, involves the Worcester and the Cambridge/Newton/Framingham MSAs. The Worcester MSA contains 164 communities. The Bank's assessment area has 79 communities within the Worcester MSA representing a 48.2 percent penetration of all the cities and towns within the MSA.

The Cambridge/Newton/Framingham MSA contains 297 communities. The Bank's assessment area has 11 communities within the Cambridge/Newton/Framingham MSA representing a 3.7 percent penetration of all the cities and towns within the MSA.

Given the modest penetration of Fidelity Co-operative Bank's assessment area in the those MSA's described above, a separate analysis of the bank's lending, investment, and service test performance within the respective MSA's was not performed as such analysis would not be considered meaningful.

PERFORMANCE EVALUATION DISCLOSURE GUIDE

Massachusetts General Laws Chapter 167, Section 14, as amended, and the Uniform Interagency Community Reinvestment Act (CRA) Guidelines for Disclosure of Written Evaluations require all financial institutions to take the following actions within 30 business days of receipt of the CRA evaluation of their institution:

- 1) Make its most current CRA performance evaluation available to the public;
- 2) At a minimum, place the evaluation in the institution's CRA public file located at the head office and at a designated office in each local community;
- 3) Add the following language to the institution's required CRA public notice that is posted in each depository facility:

"You may obtain the public section of our most recent CRA Performance Evaluation, which was prepared by the Massachusetts Division of Banks, at (675 Main Street, Fitchburg, MA 01420)."

[Please Note: If the institution has more than one local community, each office (other than off-premises electronic deposit facilities) in that community shall also include the address of the designated office for that community.]

- 4) Provide a copy of its current evaluation to the public, upon request. In connection with this, the institution is authorized to charge a fee which does not exceed the cost of reproduction and mailing (if applicable).

The format and content of the institution's evaluation, as prepared by its supervisory agency, may not be altered or abridged in any manner. The institution is encouraged to include its response to the evaluation in its CRA public file.